



THOMAS D. MARION
TREASURER

RECORDATION 60

FILED 1425

DEC 16 1992-3 30 PM

INTERSTATE COMMERCE COMMISSION

December 14, 1992

TTX COMPANY

101 NORTH WACKER DRIVE
CHICAGO, ILLINOIS 60606
(312) 853-3223
FAX (312) 984-3855

DIRECT LINE (312) 984-3821

VIA FEDERAL EXPRESS

Sidney Strickland, Jr.
Secretary
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Room 2303
Washington, D.C. 20423

DEC 16 1992-3 12 PM

INTERSTATE COMMERCE COMMISSION

2-351A034

Dear Mr. Strickland:

Submitted herewith for filing and recording under 49 U.S.C. Section 11303(a) and the regulations promulgated thereunder are five (5) certified copies of the fully executed document as follows:

Equipment Option Agreement dated as of January 10, 1986,
a secondary document supplementing the Lease of Equipment
and the Equipment Trust Agreement both dated as of January 1, 1975

Parties to this transaction are as follows:

TTX Company (Optionee)
101 North Wacker Drive
Chicago, Illinois 60606

Ford Motor Credit Company (Optionor)
The American Road
Dearborn, MI 48121-1729

Enclosed is our check in the amount of \$16.00 to cover filing fees.

Prior recordings pertaining to this Equipment Option Agreement being recorded are as follows:

- (1) Equipment Trust Agreement, dated as of January 1, 1975, recorded on March 31, 1975, recordation number 7877.
- (2) Assignment of Lease and Agreement, dated as of January 1, 1975, recorded on March 31, 1975, recordation number 7877-A.
- (3) Lease of Equipment, dated as of January 1, 1975, recorded on March 31, 1975, recordation number 7878.

Sidney Strickland, Jr.
December 14, 1992
Page Two


- (4) Amendment Agreement, dated as of July 1, 1975, recorded on July 30, 1975, recordation number 7878-A.

A short summary of the Equipment Option Agreement to appear in the Index is as follows:

"Equipment Option Agreement, dated as of January 10, 1986, granting TTX Company (f/k/a Trailer Train Company) the option to purchase the equipment."

Once the filing has been made, please retain one copy and return the remaining stamped counterparts to me via certified mail.

Very truly yours,

A handwritten signature in cursive script, reading "Thomas D. Marion". The signature is written in dark ink and is positioned above the printed name.

Thomas D. Marion

TDM:mak
Enclosures
7878-B

P.S.: Ms. Mildred Lee - Please call Anthony Barton at 312/984-3824 as soon as this agreement is recorded advising him of the recordation number, date and time. Thank you very much.

Interstate Commerce Commission

Washington, D.C. 20423

12/17/92

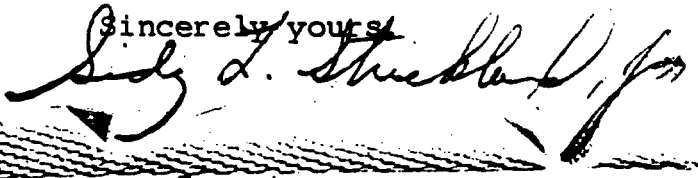
OFFICE OF THE SECRETARY

Thomas D. Marion
Treasurer
TTX Company
101 North Wacker Drive
Chicago, IL. 60606

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/16/92 at 3:15pm, and assigned re-recording number(s). 7877-B & 7878-B

Sincerely yours,


Secretary

SIDNEY L. STRICKLAND, JR.

Enclosure(s)

RECORDATION NO. 7878-B

FILED 12/16/92

DEC 16 1992-3 15 PM
INTERSTATE COMMERCE COMMISSION

TTX COMPANY

OFFICER'S CERTIFICATE

RECORDATION NO. 7878-B

DEC 16 1992-3 12 PM
INTERSTATE COMMERCE COMMISSION

I, Thomas D. Marion, Treasurer of TTX Company, (f/k/a Trailer Train Company), DO HEREBY CERTIFY that the attached document is a true and correct copy of the original, executed Equipment Option Agreement dated as of January 10, 1986, by and between Ford Motor Credit Company, and Trailer Train Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of TTX Company this 14th day of December, 1992.

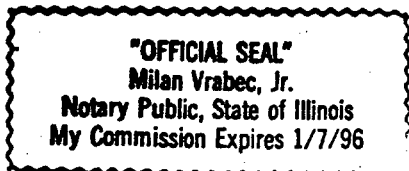


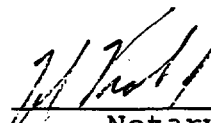
Thomas D. Marion
Treasurer

(Seal)

STATE OF ILLINOIS,)
) SS.:
COUNTY OF COOK,)

On this 14th day of December, 1992, before me personally appeared Thomas D. Marion, to me personally known, who, being by me duly sworn, say that he is the Treasurer of TTX COMPANY and that the seal affixed to this instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors.




Notary Public

(Notarial Seal)

= = = = =

EQUIPMENT OPTION AGREEMENT

BETWEEN

FORD MOTOR CREDIT COMPANY,

OPTIONOR

AND

TRAILER TRAIN COMPANY,

OPTIONEE

= = = = =

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Exhibit A	Equipment Description
Exhibit B	Form of Tax Opinion

7878-B
7877-B
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INTERSTATE COMMERCE COMMISSION

EQUIPMENT OPTION AGREEMENT

EQUIPMENT OPTION AGREEMENT, made this Tenth day of January, 1986, by and between Ford Motor Credit Company, a Delaware corporation having an address at The American Road, Dearborn, Michigan 48121-1729 ("Optionor"), and Trailer Train Company, a Delaware corporation having an address at 101 North Wacker Drive, Chicago, Illinois 60606 ("Optionee").

W I T N E S S E T H :

WHEREAS, Optionor is the beneficial owner of the Equipment which is held in trust by Trust Company Bank (the "Owner Trustee") under a Trust Agreement dated as of January 1, 1975.

WHEREAS, the Owner Trustee and Optionee have entered into a Lease Agreement, dated as of January 1, 1975 (the "Lease"), pursuant to which the Owner Trustee has leased the Equipment to Optionee.

WHEREAS, Optionee desires to obtain an option to acquire all, but not less than all, of the Equipment, which would be exercisable upon the termination of the Lease if and only if Optionee has exercised its right under Section 12 of the Lease to renew the Lease for a period of two years (the "Extended Term"), and Optionor desires to issue such an option for valuable consideration.

WHEREAS, Optionor and Optionee desire to set forth the terms of such option.

NOW THEREFORE, in consideration of the terms and covenants herein contained and the consideration to be paid by Optionee to Optionor as described herein, the parties hereto covenant and agree as follows:

ARTICLE I

Section 1.01. Definitions. Unless the context otherwise requires, Optionor and Optionee agree that all capitalized terms used herein and not defined shall have the meanings assigned thereto in the Lease, and that the following terms shall have the following meanings:

(a) "Agreement Date" shall mean the date of this Agreement;

(b) "Equipment" shall mean the Units of railroad equipment which are under lease to Optionee under the Lease on the date of this Agreement and which are described in Exhibit A hereto;

(c) "Option" shall mean the option granted pursuant to this Agreement and described in Section 2.01.

(d) "Option Agreement Closing" shall mean the closing in which the Option is sold to Optionee; and

(e) "Option Period" shall mean the period beginning on the first day of the Extended Term and ending on the date one month prior to the end of the Extended Term.

ARTICLE II

Section 2.01. Grant of Option. Optionor hereby grants, bargains and sells to Optionee, upon the terms and conditions set forth in this Agreement, an irrevocable option to purchase the Equipment for an amount equal to the Purchase Price as defined in Section 4.02.

Section 2.02. Consideration for Option. As consideration for the Option, Optionee hereby agrees to pay Optionor on the Agreement Date an amount equal to the product of (x) the number of Units of Equipment leased under the Lease on the Agreement Date times (y) \$325.12 per Unit.

Section 2.03. Manner of Exercise of Option. Optionee shall have the right to exercise the Option only if it has exercised its right under Section 12 of the Lease to renew the Lease for a period of two years. Optionee shall have the right to exercise the Option by giving written notice of its election to exercise the Option (the "Option Notice"), in the manner herein provided, at any time during the Option Period. The Option Notice shall only be given in writing and by mailing the same registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service and addressed to Optionor at The American Road, Dearborn, Michigan 48121-1729, Attention: Manager - Residual Management. The date corresponding to the third day after the Option Notice shall be deposited for mailing with the United States Postal Service shall be deemed to be the date of exercise of the Option (the "Exercise Date"). If Optionee shall elect to exercise the Option as aforesaid, then the

closing of the sale of the Equipment (the "Equipment Closing") shall occur on the last day of the Extended Term (the "Equipment Closing Date").

Section 2.04. Failure to Exercise Option; Failure to Close. Optionor and Optionee agree that time shall be of the essence with respect to the exercise of the Option and the closing of title hereunder. If Optionee shall fail to exercise the Option during the Option Period in the manner set forth in Section 2.03 or shall fail to close title in accordance with the provisions of Article IV, the Option and this Agreement shall automatically terminate and be of no further force and effect. If the Option and this Agreement shall so terminate, Optionee, at the request of Optionor, shall execute a release of the Option and any rights of Optionee under this Agreement.

Section 2.05. Conditions for Option Agreement Closing. The grant of the Option in Section 2.01 shall become effective upon receipt by Optionor of the consideration described in Section 2.02 and the delivery to Optionor of a tax opinion of Davis Polk & Wardwell substantially in the form and of the substance attached hereto as Exhibit B.

ARTICLE III

Section 3.01. Optionor's Duty. Optionor may not at any time incur any new indebtedness secured by a lien on the Equipment.

ARTICLE IV

Section 4.01. Sale and Purchase. If the Option is exercised by Optionee in accordance with the provisions of Article II, and if (x) no Event of Default described in clause (A) of Section 9 of the Lease, (y) no default in the payment of any amount provided for in Section 6.6 of the Participation Agreement for a period of 20 days after the issuance of written notice from the Owner Trustee to the Optionee demanding that the same be remedied, and (z) no default in the payment of any indemnity due under Section 8 of the Lease shall have occurred and be continuing on the Equipment Closing Date, then on the Equipment Closing Date Optionor shall sell to Optionee, and Optionee shall purchase from Optionor, the Equipment in accordance with the provisions of this Article IV.

Section 4.02. Purchase Price. The purchase price for the Equipment ("Purchase Price") shall be equal to eight percent of the aggregate Purchase Price of the Units of Equipment being leased to Optionee under the Lease on the Equipment Closing Date.

Section 4.03. Condition of the Equipment. Optionee represents that it has inspected the Equipment and agrees to purchase the same in "as is" condition, and agrees that Optionor has not made any representations or warranties as to the physical condition or any other matter affecting or relating to the Equipment except as specifically set forth in this Agreement.

Section 4.04. Title to the Equipment. If the Option is exercised, upon satisfaction of the conditions set forth in this Article IV, title to the Equipment shall be conveyed to Optionee as follows:

(a) Optionor shall execute and deliver to Optionee, or to Optionee's assignee or nominee, as the case may be, a bill of sale transferring to Optionee, or to Optionee's assignee or nominee, title to all Units being leased under the Lease on the Equipment Closing Date;

(b) Such bill of sale shall transfer to Optionee such title to such Units as the Owner Trustee derived from the Manufacturer free and clear of all liens, security interests and other encumbrances arising through Optionor or the Owner Trustee and free and clear of all liens, security interests and other encumbrances created under the Equipment Trust Agreement (without any other recourse, representations or warranties).

Section 4.05. Time and Place of Closing. The Equipment Closing shall take place at the offices of Davis Polk & Wardwell, 1 Chase Manhattan Plaza, New York, New York 10005, at 10:00 o'clock in the morning, local time, on the Equipment Closing Date or at such other place, at such other time and on such other date as shall be mutually agreed upon by Optionor and Optionee.

Section 4.06. Apportionments. All items of expense with respect to the Equipment are the obligation of Optionee under the Lease and therefore there will be no apportionment of any such items at the Closing.

Section 4.07. Closing Deliveries; Expenses. (a) Optionor shall execute and deliver on the Equipment Closing Date the following documents:

(i) Certification by a duly authorized representative of Optionor that all necessary corporate action has been taken to authorize Optionor's completion of the transactions contemplated under this Agreement.

(ii) An opinion of counsel, in form and substance satisfactory to Optionee, to the effect that

(x) Optionor has full power, authority and legal right to execute and deliver the bill or bills of sale referred to in Section 4.04;

(y) Optionor has duly authorized, executed and delivered such bill or bills of sale;

(z) Such bill or bills of sale convey the title to the Equipment referred to in Section 4.04(b) to Optionee, free and clear of all liens, security interests and other encumbrances arising through Optionor or the Owner Trustee and free and clear of all liens, security interests and other encumbrances created under the Equipment Trust Agreement.

(b) Optionee shall on the Equipment Closing Date cause to be performed the following:

(i) Optionee shall pay the Purchase Price, as described in Section 4.02, to Optionor in accordance with the provisions of Section 4.02;

(ii) Optionee shall execute and deliver certified resolutions of Optionee in form and substance reasonably acceptable to Optionor authorizing the purchase of the Equipment pursuant to this Agreement.

(c) Optionor shall pay any and all impositions, as defined in Section 5 of the Lease, which result from the sale of the Equipment to Optionee pursuant to the Option which are in the nature of income taxes.

(d) Optionee shall pay any and all impositions, as defined in Section 5 of the Lease, which result from the sale of the Equipment to Optionee pursuant to the Option and which are not in the nature of income taxes.

Section 4.08. Filings. (a) Optionee shall be responsible for preparing and filing any and all documents required under applicable federal, state or local law (including Section 11303(a) of the Interstate Commerce Act or any successor provision thereto) to convey title to the Equipment as required hereunder on the Equipment Closing Date.

(b) Optionor shall be obliged to execute such documents submitted to it by Optionee as may be reasonably required to so convey such title.

Section 4.09. Discharge of Trustee's Security Interest. Prior to and as a condition of the Equipment Closing, Optionor shall have caused the Owner Trustee to request the Trustee to comply with the provisions of Section 5.05(c) of the Equipment Trust Indenture and shall have provided to Optionee evidence of the Trustee's compliance, or non-compliance, if any, with those provisions.

ARTICLE V

Section 5.01. Agreement Authorized by Optionee. As of the Agreement Date, Optionee represents and warrants to Optionor as follows:

(a) Optionee is a corporation duly incorporated and validly existing in good standing under the laws of the State of Delaware; and

(b) Optionee has full power, authority, and legal right to execute, deliver and perform its obligations under this Agreement and has duly authorized, executed and delivered this Agreement.

Optionee shall deliver to Optionor an opinion of counsel, in form and substance satisfactory to Optionee, to such effect and further to the effect that, assuming the due authorization, execution and delivery of this Agreement by each of the parties hereto, this Agreement constitutes a valid, legal and binding agreement, enforceable against Optionee in accordance with its terms.

Section 5.02. Agreement Authorized by Optionor.
As of the Agreement Date, Optionor represents and warrants to Optionee as follows:

(a) Optionor is a corporation duly incorporated and validly existing in good standing under the laws of the State of Delaware;

(b) Optionor has full power, authority and legal right to execute, deliver and perform its obligations under this Agreement, and has duly authorized, executed and delivered the Option Agreement.

Optionor shall deliver to Optionee an opinion of counsel to such effect and further to the effect that, assuming the due authorization, execution and delivery of this Agreement by each of the parties hereto, this Agreement constitutes a valid, legal and binding obligation of Optionor enforceable against Optionor in accordance with its terms.

Section 5.03. Brokerage. Optionor and Optionee represent each to the other that each has not dealt with any broker or finder in connection with the transaction contemplated under this Agreement other than Macdonald & Company. Optionee agrees to pay any commissions or finder's fees owing to Macdonald & Company. Optionor and Optionee shall each indemnify and hold the other harmless from and against any loss, claim, liability and expense (including, without being limited to, reasonable attorneys' fees and expenses) incurred by, imposed upon or payable by the indemnified party in connection with claims of any brokers or persons for commissions or finders fees upon or in connection with the transactions contemplated under this agreement where such claims arise from the communications or actions of the indemnifying party. The provisions of this Section 5.03 shall survive the Equipment Closing or earlier termination of this Agreement.

Section 5.04. Notices. Any notices or other communications required or permitted hereby shall be given in writing and mailed by registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service, to Optionor or Optionee, as applicable, at the appropriate address set forth above. Notices sent by mail shall be deemed given on the third business day after the same shall be deposited for mailing with the United States Postal Service.

Section 5.05. Retention Rights as Lessee. Nothing contained in this Agreement shall impair any rights of the Optionee as Lessee under the Lease.

Section 5.06. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

Section 5.07. Entire Agreement. This Agreement, the Exhibits hereto, and all documents and agreements to be delivered pursuant hereto, constitute the entire agreement between the parties with respect to the purchase and sale of the Equipment and supersede all prior agreements and understandings between the parties hereto relating to the subject matter hereof; provided, however, that this Agreement shall not affect any existing renewal or purchase options contained in the Lease. Neither this Agreement nor any of the Exhibits attached hereto may be amended or modified or canceled except pursuant to the terms hereof or an instrument in writing signed by the parties hereto.

Section 5.08. Further Assurances. In addition to the obligations required to be performed hereunder by the parties at the Equipment Closing, the parties agree from time to time after the Equipment Closing to perform such other acts, and to execute, acknowledge and deliver such other instruments, documents and other materials as either party may reasonably request in order to effectuate the consummation of the transactions contemplated hereunder.

Section 5.09. Table of Contents. The Table of Contents and Section headings in this Agreement are used in this Agreement only for convenience and shall not be used in construing this Agreement nor to limit or affect any of the provisions of this Agreement.

Section 5.10. Attorneys' Fees. In the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the party not prevailing in such dispute shall pay any and all costs and expenses reasonably incurred by the other party in establishing its rights hereunder, including, without limiting the foregoing, court costs and reasonable attorneys' fees.

Section 5.11. Assignment. Optionee may assign its rights or delegate its obligations hereunder without the prior written consent of Optionor. No assignment or delegation hereof, with or without the consent of Optionor,

shall relieve or in any way release or discharge Optionee from any of its obligations hereunder.

Section 5.12. Counterparts. This Agreement may be simultaneously executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute and be one and the same instrument.

Reg
1/10/58 IN WITNESS WHEREOF, the parties hereto have caused ~~this~~ this Agreement to be executed the day and year first written above.

OPTIONOR:

FORD MOTOR CREDIT COMPANY

By: _____
Title:

OPTIONEE:

TRAILER TRAIN COMPANY

By: *Robert E. Zimmerman*
Title: Robert E. Zimmerman
Vice President and Treasurer.

FORD MOTOR CREDIT COMPANY

Equipment Description

EXHIBIT A

<u>Type</u>	<u>AAR Mechanical Designation</u>	<u>Quantity</u>	<u>Lessee's Car Numbers (Inclusive)</u>
89 ft. 4 in. 70-ton capacity hydraulic draft gear standard level all purpose flat car	FC	169	973626-973641 973643-973650 973652-973671 973673-973730 973732-973777 973780-973800
89 ft. 4 in. 70-ton capacity hydraulic draft gear low level flat car	FC	4	850495-850498
89 ft. 4 in. 70-ton capacity standard draft gear standard level flat car equipped with hitches	FC	103	255684-255727 255729-255787
		<u>Total</u>	<u>276</u> <u>===</u>

January 10, 1986

Ford Motor Credit Company
The American Road
Dearborn, Michigan 48121-1729

Dear Sirs:

We have acted as your special counsel in connection with the transactions contemplated in the option agreement dated as of January 9, 1986 between Ford Motor Credit Company, as Optionor, and Trailer Train Company ("Trailer Train"), as Optionee (the "Option Agreement"). This opinion is being delivered pursuant to Section 2.05 of the Option Agreement. Capitalized terms used herein have the respective meanings ascribed to them in the Option Agreement unless otherwise defined herein.

For purposes of rendering this opinion, we have reviewed the Option Agreement, the Purchase Agreement dated as of January 1, 1975 among Trailer Train, Trust Company Bank, as Owner Trustee, and the Parties named on Annex I thereof (the "Purchase Agreement"), and the other agreements attached thereto as exhibits, including the Equipment Trust Agreement, the Lease and the Participation Agreement. In rendering this opinion, we have assumed that the fair market value of the Equipment on the Equipment Closing Date is reasonably estimated to be in the range of 5 percent to 10 percent of the Purchase Price of the Equipment.

January 10, 1986

Based upon the foregoing, it is our opinion that, if the issue were properly presented before a court of competent jurisdiction, the issuance of the Option to Trailer Train by Ford Motor Credit Company would be treated for federal income tax purposes as the issuance of an option, and not as a current sale of the Equipment to which the option relates.

Very truly yours,

RECORDATION NO. 2878

TTX COMPANY

OFFICER'S CERTIFICATE

DEC 16 1992-3 15 PM

INTERSTATE COMMERCE COMMISSION

DEC 16 1992-3 25 PM

INTERSTATE COMMERCE COMMISSION

I, Thomas D. Marion, Treasurer of TTX Company, (f/k/a Trailer Train Company), DO HEREBY CERTIFY that the attached document is a true and correct copy of the original, executed Equipment Option Agreement dated as of January 10, 1986, by and between Ford Motor Credit Company, and Trailer Train Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of TTX Company this 14th day of December, 1992.

Thomas D. Marion

Thomas D. Marion
Treasurer

(Seal)

STATE OF ILLINOIS,)
) SS.:
COUNTY OF COOK,)

On this 14th day of December, 1992, before me personally appeared Thomas D. Marion, to me personally known, who, being by me duly sworn, say that he is the Treasurer of TTX COMPANY and that the seal affixed to this instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors.

"OFFICIAL SEAL"
Milan Vrabec, Jr.
Notary Public, State of Illinois
My Commission Expires 1/7/96

M. Vrabec, Jr.

Notary Public

(Notarial Seal)

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Exhibit B	Form of Tax Opinion

EQUIPMENT OPTION AGREEMENT

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W I T N E S S E T H :

WHEREAS, Optionor is the beneficial owner of the Equipment which is held in trust by Trust Company Bank (the "Owner Trustee") under a Trust Agreement dated as of January 1, 1975.

WHEREAS, the Owner Trustee and Optionee have entered into a Lease Agreement, dated as of January 1, 1975 (the "Lease"), pursuant to which the Owner Trustee has leased the Equipment to Optionee.

WHEREAS, Optionee desires to obtain an option to acquire all, but not less than all, of the Equipment, which would be exercisable upon the termination of the Lease if and only if Optionee has exercised its right under Section 12 of the Lease to renew the Lease for a period of two years (the "Extended Term"), and Optionor desires to issue such an option for valuable consideration.

WHEREAS, Optionor and Optionee desire to set forth the terms of such option.

NOW THEREFORE, in consideration of the terms and covenants herein contained and the consideration to be paid by Optionee to Optionor as described herein, the parties hereto covenant and agree as follows:

ARTICLE I

Section 1.01. Definitions. Unless the context otherwise requires, Optionor and Optionee agree that all capitalized terms used herein and not defined shall have the meanings assigned thereto in the Lease, and that the following terms shall have the following meanings:

(a) "Agreement Date" shall mean the date of this Agreement;

(b) "Equipment" shall mean the Units of railroad equipment which are under lease to Optionee under the Lease on the date of this Agreement and which are described in Exhibit A hereto;

(c) "Option" shall mean the option granted pursuant to this Agreement and described in Section 2.01.

(d) "Option Agreement Closing" shall mean the closing in which the Option is sold to Optionee; and

(e) "Option Period" shall mean the period beginning on the first day of the Extended Term and ending on the date one month prior to the end of the Extended Term.

ARTICLE II

Section 2.01. Grant of Option. Optionor hereby grants, bargains and sells to Optionee, upon the terms and conditions set forth in this Agreement, an irrevocable option to purchase the Equipment for an amount equal to the Purchase Price as defined in Section 4.02.

Section 2.02. Consideration for Option. As consideration for the Option, Optionee hereby agrees to pay Optionor on the Agreement Date an amount equal to the product of (x) the number of Units of Equipment leased under the Lease on the Agreement Date times (y) \$325.12 per Unit.

Section 2.03. Manner of Exercise of Option. Optionee shall have the right to exercise the Option only if it has exercised its right under Section 12 of the Lease to renew the Lease for a period of two years. Optionee shall have the right to exercise the Option by giving written notice of its election to exercise the Option (the "Option Notice"), in the manner herein provided, at any time during the Option Period. The Option Notice shall only be given in writing and by mailing the same registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service and addressed to Optionor at The American Road, Dearborn, Michigan 48121-1729, Attention: Manager - Residual Management. The date corresponding to the third day after the Option Notice shall be deposited for mailing with the United States Postal Service shall be deemed to be the date of exercise of the Option (the "Exercise Date"). If Optionee shall elect to exercise the Option as aforesaid, then the

closing of the sale of the Equipment (the "Equipment Closing") shall occur on the last day of the Extended Term (the "Equipment Closing Date").

Section 2.04. Failure to Exercise Option; Failure to Close. Optionor and Optionee agree that time shall be of the essence with respect to the exercise of the Option and the closing of title hereunder. If Optionee shall fail to exercise the Option during the Option Period in the manner set forth in Section 2.03 or shall fail to close title in accordance with the provisions of Article IV, the Option and this Agreement shall automatically terminate and be of no further force and effect. If the Option and this Agreement shall so terminate, Optionee, at the request of Optionor, shall execute a release of the Option and any rights of Optionee under this Agreement.

Section 2.05. Conditions for Option Agreement Closing. The grant of the Option in Section 2.01 shall become effective upon receipt by Optionor of the consideration described in Section 2.02 and the delivery to Optionor of a tax opinion of Davis Polk & Wardwell substantially in the form and of the substance attached hereto as Exhibit B.

ARTICLE III

Section 3.01. Optionor's Duty. Optionor may not at any time incur any new indebtedness secured by a lien on the Equipment.

ARTICLE IV

Section 4.01. Sale and Purchase. If the Option is exercised by Optionee in accordance with the provisions of Article II, and if (x) no Event of Default described in clause (A) of Section 9 of the Lease, (y) no default in the payment of any amount provided for in Section 6.6 of the Participation Agreement for a period of 20 days after the issuance of written notice from the Owner Trustee to the Optionee demanding that the same be remedied, and (z) no default in the payment of any indemnity due under Section 8 of the Lease shall have occurred and be continuing on the Equipment Closing Date, then on the Equipment Closing Date Optionor shall sell to Optionee, and Optionee shall purchase from Optionor, the Equipment in accordance with the provisions of this Article IV.

Section 4.02. Purchase Price. The purchase price for the Equipment ("Purchase Price") shall be equal to eight percent of the aggregate Purchase Price of the Units of Equipment being leased to Optionee under the Lease on the Equipment Closing Date.

Section 4.03. Condition of the Equipment. Optionee represents that it has inspected the Equipment and agrees to purchase the same in "as is" condition, and agrees that Optionor has not made any representations or warranties as to the physical condition or any other matter affecting or relating to the Equipment except as specifically set forth in this Agreement.

Section 4.04. Title to the Equipment. If the Option is exercised, upon satisfaction of the conditions set forth in this Article IV, title to the Equipment shall be conveyed to Optionee as follows:

(a) Optionor shall execute and deliver to Optionee, or to Optionee's assignee or nominee, as the case may be, a bill of sale transferring to Optionee, or to Optionee's assignee or nominee, title to all Units being leased under the Lease on the Equipment Closing Date;

(b) Such bill of sale shall transfer to Optionee such title to such Units as the Owner Trustee derived from the Manufacturer free and clear of all liens, security interests and other encumbrances arising through Optionor or the Owner Trustee and free and clear of all liens, security interests and other encumbrances created under the Equipment Trust Agreement (without any other recourse, representations or warranties).

Section 4.05. Time and Place of Closing. The Equipment Closing shall take place at the offices of Davis Polk & Wardwell, 1 Chase Manhattan Plaza, New York, New York 10005, at 10:00 o'clock in the morning, local time, on the Equipment Closing Date or at such other place, at such other time and on such other date as shall be mutually agreed upon by Optionor and Optionee.

Section 4.06. Apportionments. All items of expense with respect to the Equipment are the obligation of Optionee under the Lease and therefore there will be no apportionment of any such items at the Closing.

Section 4.07. Closing Deliveries; Expenses. (a) Optionor shall execute and deliver on the Equipment Closing Date the following documents:

(i) Certification by a duly authorized representative of Optionor that all necessary corporate action has been taken to authorize Optionor's completion of the transactions contemplated under this Agreement.

(ii) An opinion of counsel, in form and substance satisfactory to Optionee, to the effect that

(x) Optionor has full power, authority and legal right to execute and deliver the bill or bills of sale referred to in Section 4.04;

(y) Optionor has duly authorized, executed and delivered such bill or bills of sale;

(z) Such bill or bills of sale convey the title to the Equipment referred to in Section 4.04(b) to Optionee, free and clear of all liens, security interests and other encumbrances arising through Optionor or the Owner Trustee and free and clear of all liens, security interests and other encumbrances created under the Equipment Trust Agreement.

(b) Optionee shall on the Equipment Closing Date cause to be performed the following:

(i) Optionee shall pay the Purchase Price, as described in Section 4.02, to Optionor in accordance with the provisions of Section 4.02;

(ii) Optionee shall execute and deliver certified resolutions of Optionee in form and substance reasonably acceptable to Optionor authorizing the purchase of the Equipment pursuant to this Agreement.

(c) Optionor shall pay any and all impositions, as defined in Section 5 of the Lease, which result from the sale of the Equipment to Optionee pursuant to the Option which are in the nature of income taxes.

(d) Optionee shall pay any and all impositions, as defined in Section 5 of the Lease, which result from the sale of the Equipment to Optionee pursuant to the Option and which are not in the nature of income taxes.

Section 4.08. Filings. (a) Optionee shall be responsible for preparing and filing any and all documents required under applicable federal, state or local law (including Section 11303(a) of the Interstate Commerce Act or any successor provision thereto) to convey title to the Equipment as required hereunder on the Equipment Closing Date.

(b) Optionor shall be obliged to execute such documents submitted to it by Optionee as may be reasonably required to so convey such title.

Section 4.09. Discharge of Trustee's Security Interest. Prior to and as a condition of the Equipment Closing, Optionor shall have caused the Owner Trustee to request the Trustee to comply with the provisions of Section 5.05(c) of the Equipment Trust Indenture and shall have provided to Optionee evidence of the Trustee's compliance, or non-compliance, if any, with those provisions.

ARTICLE V

Section 5.01. Agreement Authorized by Optionee. As of the Agreement Date, Optionee represents and warrants to Optionor as follows:

(a) Optionee is a corporation duly incorporated and validly existing in good standing under the laws of the State of Delaware; and

(b) Optionee has full power, authority, and legal right to execute, deliver and perform its obligations under this Agreement and has duly authorized, executed and delivered this Agreement.

Optionee shall deliver to Optionor an opinion of counsel, in form and substance satisfactory to Optionee, to such effect and further to the effect that, assuming the due authorization, execution and delivery of this Agreement by each of the parties hereto, this Agreement constitutes a valid, legal and binding agreement, enforceable against Optionee in accordance with its terms.

Section 5.02. Agreement Authorized by Optionor.
As of the Agreement Date, Optionor represents and warrants to Optionee as follows:

(a) Optionor is a corporation duly incorporated and validly existing in good standing under the laws of the State of Delaware;

(b) Optionor has full power, authority and legal right to execute, deliver and perform its obligations under this Agreement, and has duly authorized, executed and delivered the Option Agreement.

Optionor shall deliver to Optionee an opinion of counsel to such effect and further to the effect that, assuming the due authorization, execution and delivery of this Agreement by each of the parties hereto, this Agreement constitutes a valid, legal and binding obligation of Optionor enforceable against Optionor in accordance with its terms.

Section 5.03. Brokerage. Optionor and Optionee represent each to the other that each has not dealt with any broker or finder in connection with the transaction contemplated under this Agreement other than Macdonald & Company. Optionee agrees to pay any commissions or finder's fees owing to Macdonald & Company. Optionor and Optionee shall each indemnify and hold the other harmless from and against any loss, claim, liability and expense (including, without being limited to, reasonable attorneys' fees and expenses) incurred by, imposed upon or payable by the indemnified party in connection with claims of any brokers or persons for commissions or finders fees upon or in connection with the transactions contemplated under this agreement where such claims arise from the communications or actions of the indemnifying party. The provisions of this Section 5.03 shall survive the Equipment Closing or earlier termination of this Agreement.

Section 5.04. Notices. Any notices or other communications required or permitted hereby shall be given in writing and mailed by registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service, to Optionor or Optionee, as applicable, at the appropriate address set forth above. Notices sent by mail shall be deemed given on the third business day after the same shall be deposited for mailing with the United States Postal Service.

Section 5.05. Retention Rights as Lessee. Nothing contained in this Agreement shall impair any rights of the Optionee as Lessee under the Lease.

Section 5.06. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

Section 5.07. Entire Agreement. This Agreement, the Exhibits hereto, and all documents and agreements to be delivered pursuant hereto, constitute the entire agreement between the parties with respect to the purchase and sale of the Equipment and supersede all prior agreements and understandings between the parties hereto relating to the subject matter hereof; provided, however, that this Agreement shall not affect any existing renewal or purchase options contained in the Lease. Neither this Agreement nor any of the Exhibits attached hereto may be amended or modified or canceled except pursuant to the terms hereof or an instrument in writing signed by the parties hereto.

Section 5.08. Further Assurances. In addition to the obligations required to be performed hereunder by the parties at the Equipment Closing, the parties agree from time to time after the Equipment Closing to perform such other acts, and to execute, acknowledge and deliver such other instruments, documents and other materials as either party may reasonably request in order to effectuate the consummation of the transactions contemplated hereunder.

Section 5.09. Table of Contents. The Table of Contents and Section headings in this Agreement are used in this Agreement only for convenience and shall not be used in construing this Agreement nor to limit or affect any of the provisions of this Agreement.

Section 5.10. Attorneys' Fees. In the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the party not prevailing in such dispute shall pay any and all costs and expenses reasonably incurred by the other party in establishing its rights hereunder, including, without limiting the foregoing, court costs and reasonable attorneys' fees.

Section 5.11. Assignment. Optionee may assign its rights or delegate its obligations hereunder without the prior written consent of Optionor. No assignment or delegation hereof, with or without the consent of Optionor,

shall relieve or in any way release or discharge Optionee from any of its obligations hereunder.

Section 5.12. Counterparts. This Agreement may be simultaneously executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute and be one and the same instrument.

Ref
1/10/38
IN WITNESS WHEREOF, the parties hereto have caused ~~this~~ this Agreement to be executed the day and year first written above.

OPTIONOR:

FORD MOTOR CREDIT COMPANY

By: _____
Title: _____

OPTIONEE:

TRAILER TRAIN COMPANY

By: *Robert E. Zimmerman*
Title: Robert E. Zimmerman
Vice President and Treasurer

FORD MOTOR CREDIT COMPANY

Equipment Description

EXHIBIT A

<u>Type</u>	<u>AAR Mechanical Designation</u>	<u>Quantity</u>	<u>Lessee's Car Numbers (Inclusive)</u>
89 ft. 4 in. 70-ton capacity hydraulic draft gear standard level all purpose flat car	FC	169	973626-973641 973643-973650 973652-973671 973673-973730 973732-973777 973780-973800
89 ft. 4 in. 70-ton capacity hydraulic draft gear low level flat car	FC	4	850495-850498
89 ft. 4 in. 70-ton capacity standard draft gear standard level flat car equipped with hitches	FC	103	255684-255727 255729-255787
		<u>Total</u>	
		276	
		===	

January 10, 1986

Ford Motor Credit Company
The American Road
Dearborn, Michigan 48121-1729

Dear Sirs:

We have acted as your special counsel in connection with the transactions contemplated in the option agreement dated as of January 9, 1986 between Ford Motor Credit Company, as Optionor, and Trailer Train Company ("Trailer Train"), as Optionee (the "Option Agreement"). This opinion is being delivered pursuant to Section 2.05 of the Option Agreement. Capitalized terms used herein have the respective meanings ascribed to them in the Option Agreement unless otherwise defined herein.

For purposes of rendering this opinion, we have reviewed the Option Agreement, the Purchase Agreement dated as of January 1, 1975 among Trailer Train, Trust Company Bank, as Owner Trustee, and the Parties named on Annex I thereof (the "Purchase Agreement"), and the other agreements attached thereto as exhibits, including the Equipment Trust Agreement, the Lease and the Participation Agreement. In rendering this opinion, we have assumed that the fair market value of the Equipment on the Equipment Closing Date is reasonably estimated to be in the range of 5 percent to 10 percent of the Purchase Price of the Equipment.

January 10, 1986

Based upon the foregoing, it is our opinion that, if the issue were properly presented before a court of competent jurisdiction, the issuance of the Option to Trailer Train by Ford Motor Credit Company would be treated for federal income tax purposes as the issuance of an option, and not as a current sale of the Equipment to which the option relates.

Very truly yours,